27 JUN 1977

MEMORANDUM FOR: Director of Central Intelligence

VIA : Deputy Director of Central Intelligence

: John F. Blake FROM

Deputy Director for Administration

: ADMAG Suggestions for the DCI SUBJECT

REFERENCE : Memo for DDA from DCI dtd 7 Jun 77, subj: ADMAG

1. Action Requested: Approval of the recommendations contained in paragraph 3.

- 2. Background: The three specific recommendations contained in AIMAG's memorandum of 2 June 1977 have been reviewed and commented upon as follows:
  - a. Identification of employees with least potential in all grades . . . to provide positions for new employees and advancement of on-board employees.

We have assumed the phrase "least potential" in Recommendation (a) refers to the lower percentile of employees identified in the Career Service rankings of personnel. , the Career Until the recent issuance of the revised Services were permitted to establish individual percentages for the identification of marginal employees. however, establishes a common lower percentile of 3% for the ranking of employees whose performance requires Career Service review and provides uniform guidance and procedures for implementing the program. Until this new policy is in effect for at least a year, it would be difficult to assess the impact it will have on the advancement of other employees by making higher grade positions available or for the appointment of additional new employees.

The FY-77 Annual Personnel Plan (APP) statistics identified, for the Agency as a whole and using the individual Career Service percentages, 224 employees as having marginal performances. Ninety-one (91) have been in this lower percentile for

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two years, 78 for three years. As a follow up to the APP report, the Career Services have recently been asked to identify the employees who have been so ranked for two and three years and advise the action . . . i.e., training, counseling, reassignment, downgrading or separation . . . taken or planned to be taken in each instance. Until we are in receipt of these reports, we cannot judge the number or kinds of positions which may be made available through this process within the next year.

The downgrading or separation of employees in the lower percentile ranking who do not respond to counseling or training will undoubtedly free some positions for the assignment and advancement of on-board or new employees. A more significant result of taking positive actions in this type of situation, however, is the impact it will have on all Agency employees by highlighting management's concern with the level of employee performance and the consistent application of principles of sound personnel management.

## b. Endorse the three-year probationary period for new employees.

The three-year probationary period will undoubtedly improve the effective appraisal of the performance of new Agency employees, to the benefit of both the employee and the Organization. To make it truly effective, however, the responsibilities of the supervisor must be continually emphasized by senior managers to the point of holding supervisors responsible for inadequate or hedging evaluations. There must be a check system to insure that supervisors are doing their job in relation to the new employees . . . training, counseling, guiding, and, when necessary, recommending separation. Periodic review procedures should be established in each Career Service for the supervisory level to follow; the Fitness Report schedule should not be the only trigger for reviewing the performance of new employees or for tracking the supervisor's performance of this major responsibility.

### c. Seek approval for continued use of the 25-year discontinued service retirement option.

Agency management has instituted the discontinued service retirement option with effective results in several of the recent past years when ceiling and/or employee surplus circumstances warranted such action.

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The Office of Personnel is closely monitoring the Agency's on-duty strength/ceiling situation in the context of other personnel management reviews (promotion headroom, identification of grade group "blockages," etc.) currently under consideration by the Executive Advisory Group and in anticipation of probable OMB-instituted reductions in the Agency's overall personnel ceiling.

As these several considerations are resolved and courses of action are defined, application of the discontinued service retirement option may be instituted as appropriate and justified.

Circumstances may support Agency-wide application or more narrow application within a specific Directorate, certain of its sub-elements or only specific employee categories.

#### 3. Recommendations:

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- a. That the current policies and procedures as outlined in relative to Career Service responsibilities for ranking personnel and the identification of lower-ranked employees for subsequent managerial action be stringently implemented, monitored and enforced.
- b. That continued emphasis be placed on effective supervisory action in the evaluation of new employees during the three-year probationary period.
- c. That the discontinued service retirement option be retained and utilized by Agency management when appropriate to meet the manpower staffing requirements of the Agency.

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John F. Blake

APPROVED:	
-	Director of Central Intelligence
DISAPPROVEL	):
	Director of Central Intelligence
DATE:	

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